

Approval of Minutes from  
the November 16, 2020  
Board Meeting

**REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
LUMBERTON MUNICIPAL UTILITY DISTRICT**

The regular meeting of the Board of Directors of the Lumberton Municipal Utility District was held on Monday, November 16, 2020, at 6:30 p.m. at the offices of the District pursuant to notice duly posted in accordance with the law. The following members of the Board were present:

David Pitchford

David Desormeaux

Nick Carter

Jimmy Burk

Roger Smith

Also participating in the meeting via ZOOM Webinar were Robb Starr, Benny Lewis and Carla Belt as employees of the District and Guy Goodson of Germer PLLC as legal counsel for the District.

Agenda Item No. 1: Prayer and Pledge. A quorum being present, the meeting was called to order, the prayer was led by Vice President Smith and the pledge was led by President Carter.

Agenda Item No. 2: Public Comments on Agenda Items. None.

Agenda Item No. 3: Minutes. The Minutes of October 19, 2020 were approved as presented.

Agenda Item No. 4: Local Intergovernmental Agreement – Lumberton Fire Department – 580 North LHS Drive. The Board recognized Robb Starr who noted the District currently had two lines around the north station of the Hardin County ESD #2 (“HCESD”), and from time to time, HCESD drew water from a line resulting in brown water complaints. Mr. Starr stated he had worked with HCESD whereby they would buy materials, and the District install a line that would effectively loop the service in the area being both beneficial to the District and leading to elimination of brown water

complaints. After a brief discussion and upon motion duly made by Vice President Smith and seconded by Director Desormeaux, the Board approved the Interlocal Agreement between HCESD and the District. Mr. Starr noted that following the execution of the Interlocal Agreement and the location of the line by Centerline description, an easement would be filed of record.

**Agenda Item No. 5: Approval – Memorandum of Understanding with Drainage District No. 6.**

The Board received a presentation from Mr. Starr and legal counsel on the TWDB Flood Mitigation Planning Program which had been initiated and funded following events including Hurricane/Tropical Storm Harvey. Legal counsel noted the benefit of collaboration with Drainage District No. 6 is that Drainage District No. 6 was taking the lead on developing an engineering plan for possible future improvements that would be based on a watershed wide basis and not simply on a segment basis in Jefferson County, Hardin County or a subdivision of Hardin County. It was noted by other Board members that the watershed of the District actually began north of Hardin County. After discussion and upon motion duly made by Director Burk and seconded by Vice President Smith, the Board authorized the execution of the Memorandum of Understanding with Drainage District No. 6 for the Flood Mitigation Planning Program.

**Agenda Item No. 6: Pool Credit Policy.** The Board reviewed the information provided by Mr. Starr concerning the policies of other local jurisdictions as to credit for wastewater charges on filling or refilling of pools. Mr. Starr noted the several different methods used by local jurisdictions to provide a billing credit to customers. After discussion, President Carter suggested the Board adopt a policy that the pool owners would be given a wastewater sewer charge credit for up to 30,000 gallons for filling and/or refilling pools. After discussion and upon motion duly made by Director Burk and seconded by Director Desormeaux, the policy to allow a wastewater charge credit up to 30,000 gallons for pool owners was approved with Vice President Smith voting in opposition to the policy.

**Agenda Item No. 7: Authorize District Manager to Contract Emergency Repairs to Sewer Manhole – Corner of Hwy 69 and Matthews Lane.** The Board recognized Robb Starr who advised of a significant issue at the District's manhole at the corner of Highway 69 at Matthews Lane. Mr. Starr noted that unless the District made repairs in hopes of stabilizing the manhole, there could be a failure which would affect the adjacent highway roadway. A number of questions followed, and the Board reviewed the proposed sales contract with Uretek ICR Gulf Coast dated November 11, 2020, showing an estimated cost of approximately \$16,000.00, but noting it was for a limited amount of the Uretek method materials and additional materials would be at a cost of \$9.00/lb. As a lengthy discussion followed, the Board agreed it was not certain that the face amount of \$16,000.00 would address the problem. After further discussion and upon motion duly made by Vice President Smith and seconded by Director Desormeaux, the Board unanimously authorized the execution of an agreement between the District and Uretek IRC Gulf Coast for the performance of the raising and stabilization of the foundation of the manhole at Highway 69 Matthews Lane at a cost not to exceed \$25,000.00.

**Agenda Item No. 8: Amendment to Capacity Approval – additional 9 lots – Madison Park Subdivision – Frost Enterprise, Inc., owner.** The Board recognized Jeff Leavins who reviewed the request by Frost Enterprise, Inc. to revise the capacity approval with an additional nine (9) lots at Madison Park Subdivision. Mr. Leavins along with Mr. Starr noted the request and the response provided by LJA Engineering in its letter of November 9, 2020 on the previous approved request for 41 connections in Madison Park Subdivision and the amended request to add nine (9) additional units. Mr. Leavins reviewed his letter and noted there would not be an issue with the pressure gradient and based on the analysis of the development, including the additional nine (9) lots, there was sufficient capacity for water and sewer service as requested. Questions followed from the Board, and after

discussion and upon motion duly made by Director Desormeaux and seconded by Vice President Smith, the Board provided the amended capacity approval addition of nine (9) lots, Madison Park Subdivision, Frost Enterprise, Inc., owner.

Agenda Item No. 9: Resolution 2020-4 Bond Reimbursement. Legal counsel presented the updated bond Reimbursement Resolution and reviewed with the Board the information which had been provided to the District Manager and LJA Engineering showing the wastewater treatment plant expansion project and various collection system repair, improvement or upgrade projects, aggregating a total of probable cost of approximately \$66 million. Legal counsel noted that to account for non-construction cost and possible additional real estate acquisition, the Reimbursement Resolution had been presented in the amount of \$70 million. The Board discussed briefly the wastewater treatment plant expansion and collection system improvement projects, and Mr. Starr noted he would provide an updated and corrected schedule of probable cause as he along with the engineers had just completed a review and updated the preliminary opinion of probable construction costs for each project. The Board followed with questions, and after discussion and upon motion duly made by Vice President Smith and seconded by Director Pitchford, the Reimbursement Resolution 2020-4 was approved as presented.

Agenda Item No. 10: Reimbursement – Robb Starr – District Manager - Zoom Video Communication. After discussion and upon motion duly made by Director Pitchford and seconded by Director Desormeaux, the Board unanimously approved the invoice for reimbursement to the District Manager.

Agenda Item No. 11: Manager’s Report.

A. **Presentation of Financial Statement and Accounts Payable.** The Board received the presentation of financial statements and accounts payable. Carla Belt reviewed

the bank statements and check registers from BBVA Compass Bank and then moved to a review of the vendor checklist and accounts payable. Ms. Belt specifically noted several matters in regard to revenues, particularly, the increase in water sales due to bulk water sales for provision of water to the Lake Charles area following Hurricane Laura. Ms. Belt also noted a repayment by a contractor for damage to a District line along with a payment from Entergy Texas for the reduction in charges by the District at the time the District engaged and used its generator. Ms. Belt stated that in the costs, it should be noted the pay period in the financials was a 5-week pay period, and it was further stated the District had paid its wastewater sewer plant permit renewal. After questions, it was noted the accounts payable for the month was \$372,997.87. Ms. Belt also reviewed the budget to date showing a monthly loss of \$46,174.67. Ms. Belt reviewed one disbursement for the capital budget year to date and then reviewed the 5-year to monthly average reports showing various items including the higher than normal overtime due to the 5-week pay period. She further reviewed the customer adjustments showing in the previous month, the District had been presented a report showing customers with late charges in total amounts exceeding \$47,000.00, and \$17,500.00 of those late charges had been paid, and payment arrangements had been made for another \$8,000.00 leaving approximately \$22,000.00 in past due accounts.

**B. Presentation of Production Report and Operations Report.** The Board recognized Benny Lewis who presented the Production Report and noted the District had three permit exceedances again having to do with ammonia at a time when the system was down due to a damaged facility. Mr. Lewis reviewed the monthly report on District pumpage, water usage, customer profile and related reports. He also reported the vehicle maintenance and mileage report along with the complaint log.

C. **Presentation of Important Dates.** The Board then recognized Mr. Starr, and President Carter began by noting he had recommended Mr. Starr amend the agenda format to have this section of the report to directly reflect pending projects and matters of interest to the District rather than important dates. Mr. Starr and legal counsel stated they could make this change on future agendas. Mr. Starr noted the District was still awaiting work from the TCEQ on its sanitary sewer overflow initiative, and matters were still very positive as the District was addressing many calls from developers.

Agenda Item No. 12: Public Comments. None.

Agenda Item No. 13: Payment of Bills. After discussion and upon motion duly made by Director Pitchford and seconded by Director Burk, the accounts payable were approved for payment as presented.

Agenda Item No. 14: Adjournment. There being no further business, the meeting was adjourned at 8:03 p.m.



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President of the Board

ATTEST



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Secretary of the Board